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THE MAINE SENATE  
131st Legislature

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**Testimony in Support of LD 2217**

***“An Act to Strengthen the Maine Veterans’ Homes with Increased and Ongoing Funding”***

**Presented to the Joint Standing Committee on Veterans and Legal Affairs**

February 27, 2024

Good afternoon Senator Hickman, Representative Supica, and members of the Joint Standing Committee on Veterans and Legal Affairs. My name is Troy Jackson. I have the distinct honor of representing the people of northern Aroostook County in Senate District 1 and serving as the President of the Maine Senate. I am here today to introduce LD 2217, “An Act to Strengthen the Maine Veterans’ Homes with Increased and Ongoing Funding.”

For several years now Maine Veterans’ Homes has been facing a growing financial crisis. Last year, MVH lost approximately \$14 million. This deficit would have been several million dollars greater were it not for the financial assistance provided by LD 985 in the First Session, along with additional funds from the Governor’s supplemental budget. These financial troubles have been steadily building due to insufficient MaineCare reimbursement rates that have failed to keep up with inflation, the cost of employment, and the increasing cost of the care that these facilities provide to our veterans.

As a quasi-state independent, non-profit organization, Maine Veterans’ Homes receives both state and federal funding. Part of that funding comes from Medicaid and MaineCare reimbursements that cover the cost of care for MVH’s patients. As many of Maine Veterans’ Homes’ patients are covered by Medicaid or MaineCare, these reimbursements are received in order to cover the cost of care, while MVH provides the necessary treatment our veterans need. However, for the past several years these reimbursements have not fully covered the cost that is required to care for those who have served our country.

This gap in reimbursement existed before the pandemic, but during the pandemic additional issues arose that compounded MVH’s financial hardships. Maine Veterans’ Homes’ occupancy rates fell to all-time lows. A tightening labor market increased wages, and facilities had to rely on temporary staff – who are paid at three to four times the rate of permanent staff members – in order to ensure all MVH locations were able to remain open and care was still given to the residents that remained. In order to cover all of this, as well as the deficient reimbursement rates, MVH has had to pull money from investments without any means to replace these withdrawals.

To address this, MVH has been working to cut costs and increase income through every possible means they have. They are working to return occupancy rates to pre-pandemic levels, as well as increase the revenue they make from their pharmacy. They are currently implementing employee retention plans, increasing wages to competitive rates, while moving away from temporary staff and aggressively recruiting more full time caregivers. However, despite all of these ongoing efforts, the fact remains that if we do not choose to provide the necessary funding that this bill promises, MVH faces the very real possibility of closing down.

The Legislature made a commitment to Maine veterans when it established Maine Veterans' Homes in 1977; a commitment that those who served our state and our country would receive the high quality care and the treatments they need to continue living a decent life. We renewed that commitment in 2022 by passing LD 2001, which kept the Machias and Caribou MVH locations from closing. If today's Legislature chooses not to provide the funding that is held in LD 2217, we will be breaking that commitment.

I intend to see that our commitment is upheld.

One time payouts will not work. Our Veterans need annual funding that adequately covers the cost of their care. We have a moral responsibility to ensure that they receive it. These facilities are equipped with the knowledge, the caring staff and the values needed to serve those who served. You don't need to take my word on the importance of keeping Maine Veterans' Homes open; behind me are those who have served, those who have benefitted from MVH's care, those who work with MVH, and many more.

Thank you for taking the time this afternoon to discuss this matter that is so crucial to so many. I would be happy to answer any questions from the committee.